

**2021
ANNUAL
REPORT**



AmFirst

AMERICA'S FIRST
FEDERAL CREDIT UNION

CHAIRPERSON'S REPORT

2021 was a year of cautious optimism and anticipation. The year began with unprecedented political strife, followed by several fits and starts with COVID. Each time we thought it was over, another variant seemed to come out of nowhere. As vaccines became more widespread and the virus began to abate, we were finally able to come together with family and friends and return to sporting events, restaurants and other social gatherings. Hopefully, 2022 will bring us back to normalcy.

Despite lingering uncertainty and challenges in 2021, AmFirst managed to grow and provide the financial services that our members expect and deserve. During the year, AmFirst experienced asset growth of over \$242 million and added 19,720 new members for a total membership at year-end of 190,343. During the year, as the economy recovered, we added \$560 million in new loans and paid over \$5.8 million in dividends on our member deposits. We also began construction on our new Forestdale/Adamsville branch renewing our commitment to our members in that area with a new facility that is scheduled to open in early 2022. A particular bright spot occurred when we were able to resume many of our community events and fundraising activities, resulting in the AmFirst Foundation donating \$120,000 to three very worthy recipients.

The AmFirst team began 2022 with a strong balance sheet, an optimistic outlook and confidence in our ability to withstand challenges. Our credit union demonstrated resilience during the pandemic and maintained the financial strength, strategic direction and commitment to emerge stronger than before. We were able to take the lessons learned during difficult times to find innovative ways to serve our members and our communities that will carry us in to the future.

It has been an honor and privilege to serve as your Chairperson and to be a member of a team that remains focused on helping our members to meet their financial needs and goals. On behalf of my fellow Directors, thank you for your membership and your continued support. 2021 proved once again, that even in uncertain times, your credit union is here to serve you.

Cathy Antee
Chairperson



Board of Directors (Top row, L to R): Cathy Antee, Chair; Melanie McNary, Vice Chair; Dr. Sara Robicheaux, Secretary; (2nd row, L to R): Eric Housh, Treasurer; Katie Voss; and Barney Hatten (3rd row): Dr. Ray Morris

SUPERVISORY COMMITTEE REPORT

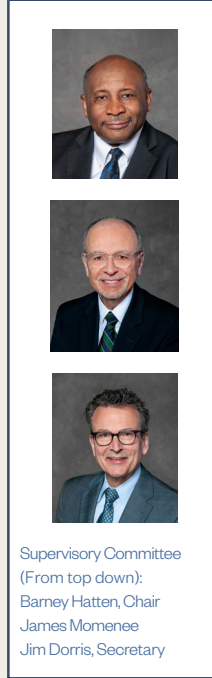
In accordance with the Federal Credit Union Act, the Supervisory Committee is given the responsibility to determine whether the operations of the credit union are carried out in compliance with the Act and the regulations of the National Credit Union Administration.

The Supervisory Committee meets monthly with Risk Management and Audit Services Staff as well as external auditors to review progress on the audit plan, discuss audit results and address the policies and procedures supporting the internal control systems of the credit union. The Board of Directors reviews a report from the Supervisory Committee each month.

Supervisory Committee members are appointed by the Board of Directors annually and serve on a volunteer basis. Members of the committee are selected based on their experience and expertise in the areas of business, finance and accounting.

Mauldin & Jenkins, LLC, an independent certified public accounting firm, was selected by the Supervisory Committee to conduct an audit of the financial statements of America's First Federal Credit Union for the calendar year 2021. Upon review of their audit report, the Supervisory Committee is proud to report that America's First received an unqualified opinion, meaning the financial statements as presented by management fairly represent the financial condition of the credit union as of December 31, 2021. This opinion is the highest attainable and reflects very favorably on the financial stewardship of the Board of Directors and the Management Team of America's First Federal Credit Union.

Barney Hatten
Chairperson



Supervisory Committee
(From top down):
Barney Hatten, Chair
James Momenee
Jim Dorris, Secretary

LOAN OFFICER'S REPORT

Although the forecast for 2021 was challenging due to continued economic disruption caused by the global pandemic, the America's First team never wavered in our collective determination to serve our members. In doing so, our team embodied the credit union mission of "people helping people". It is the heartbeat of our very existence and the reason we come to work every day.

Thanks to the extraordinary efforts of our seasoned staff, 2021 yielded a strong year of production and support for our membership. It is even more remarkable to consider that we were able to attain outstanding production levels in an environment of fewer new vehicles available for purchase due to global chip and component shortages and used car inventories were substantially reduced. Similarly, the real estate market was impacted on both existing and new home construction, with compressed inventories and building materials and labor in short supply. In 2021, our team granted 22,593 new loans with a combined volume of \$560,433,604. Of that total, 16,230 consumer loans were made to finance the purchase of automobiles, boats, motorcycles, and recreational vehicles. In addition, we opened 4,517 new unsecured loans and credit cards and added 1,470 mortgage loans, including our new first-time home buyer mortgage loan. Our Business Services area continued our organic, member focused, planned growth by granting 376 loans totaling over \$14,515,203. We are especially proud of the \$2,567,185 Paycheck Protection Program (PPP) loans granted to aid area member small businesses with the lingering issues related to the Coronavirus crisis.

The Lending Team at America's First Federal Credit Union is privileged to work together, exchange ideas, and champion the financial needs of our membership. It is an honor to serve our members with valuable, empathetic and personalized solutions. As we look back on 2021, we optimistically turn the page with aspirations of a brighter year filled with continued commitment to serving the members of this credit union.

STATEMENTS OF FINANCIAL CONDITION

ASSETS	2021	2020
Cash and Cash Equivalents	\$ 671,378,868	\$ 467,663,201
Loans to Members-net	1,229,518,622	1,261,282,876
Investments	226,379,713	155,555,765
Property and Equipment	60,979,260	62,732,408
Other Assets	21,193,154	19,866,384
TOTAL ASSETS	\$ 2,209,449,617	\$ 1,967,100,634
LIABILITIES AND MEMBERS' EQUITY		
Dividends and Interest Payable	\$ 291,109	\$ 461,237
Accrued Expenses and Other Liabilities	13,466,370	18,145,004
Members' Shares and Deposits	1,967,378,484	1,737,808,725
TOTAL LIABILITIES	\$ 1,981,135,963	\$ 1,756,414,966
Regular Reserves	9,613,040	9,613,040
Undivided Earnings	218,700,614	201,072,628
TOTAL MEMBERS' EQUITY	\$ 228,313,654	210,685,668
TOTAL LIABILITIES AND EQUITY	\$ 2,209,449,617	\$ 1,967,100,634

STATEMENTS OF INCOME

INCOME	2021	2020
Loan Interest Income	\$ 45,375,105	\$ 49,053,670
Investment Income	2,745,465	3,074,894
Fees and Other Income	34,658,939	28,937,103
TOTAL INCOME	\$ 82,779,509	\$ 81,065,667
EXPENSES		
Compensation & Benefits	30,373,143	28,074,992
Office Operations and Loan Servicing	18,228,507	17,020,339
Occupancy	3,608,278	3,480,986
Other	6,010,703	5,367,607
TOTAL OPERATING EXPENSES	\$ 58,220,631	\$ 53,943,924
INCOME FROM OPERATIONS	\$ 24,558,878	\$ 27,121,743
Provision for Loan Losses	(928,938)	5,162,226
INCOME BEFORE CAPITAL COSTS	\$ 25,487,816	\$ 21,959,517
Dividend and Interest Expense	5,862,502	9,781,672
NET INCOME	\$ 19,625,314	\$ 12,177,845

Years Ended December 31, 2021 and December 31, 2020
 These condensed financial statements are derived from the credit union's audited financial statements, which are prepared in accordance with Generally Accepted Accounting Principles (GAAP). To receive a detailed report of the company's financial statements, including the auditor's opinion, write to: America's First Federal Credit Union, Marketing Department, 1200 4th Avenue North, Birmingham, Alabama 35203.

MANAGEMENT REPORT

The management and staff began 2021 with an optimistic outlook that the COVID crisis was waning and that we were moving towards what we used to know as a normal business climate. While we didn't quite experience that normal business climate, we made significant strides towards that throughout the year and well out-performed 2020.

Our credit union has many measurements that we deem as critical to our success. However, the two key success factors that always rise to the top are loan production and membership growth. We're happy to report that in 2021, both metrics had meaningful increases as outlined below.

First, we produced over 22,000 new loans eclipsing \$560 million and far surpassing 2020 totals. These results also bested both 3-year and 5-year historical averages. We saw healthy increases across all loan categories and were particularly pleased with the growth of our small business loan portfolio, which grew an impressive 71% over the previous year. Expanding our small business services has been a key strategy for the credit union and you can't argue with the results we achieved in 2021.

Membership growth returned to near pre-COVID numbers as we added 19,720 new members to our credit union family in 2021. This was 20% higher growth than the previous year. Key to achieving these outstanding results was the opportunity for our Membership Development teams and branch staffs to begin visiting our Benefit Partner companies again. These on-site interactions allowed us to conduct membership enrollments, provide financial wellness seminars, and promote various credit union products and services. We are truly appreciative of our Benefit Partners for allowing us this opportunity to serve their employees at their place of business. Due to the pandemic, these on-site visits had all but been eliminated for the previous two years.

The credit union remained financially strong throughout 2021. Healthy earnings combined with managed operating expenses and low loan losses enabled us to build our capital level to 10.4%, well above what our Federal Regulator deems to be well capitalized. Asset growth of just over 12% added \$242.4 million to our balance sheet, bringing total year-end assets to \$2.209 billion.

Aside from our financial results, we also celebrated a return to more of our community engagement efforts in 2021. These are such an important part of the culture of America's First and our staff was really excited to get back to volunteering and participating in in-person events. The following page features a recap of our Community Engagement activities throughout 2021.

In closing, I'd like to commend our volunteer Board of Directors for their wisdom and guidance throughout the course of the year. Equally important is our outstanding staff whose dedication to serving our members is unmatched in the financial services industry. Our credit union is strong and well positioned for growth and prosperity in the years ahead. Thank you for allowing us to serve you in 2021.



America's First Executive Team (L to R): Alan Stabler, EVP-CAO General Counsel; Teresa Owens, SVP-Chief Financial Officer; Bill Connor, President/CEO; Phil Boozer, SVP-Chief Sales Officer; Kevin Morris, SVP-Chief Retail Officer; Mike Northrup, SVP-Chief Delivery Systems Officer; Audra Weber, SVP-Chief Operating Officer

BENEFIT PARTNERS

In spite of continued disruptions from the pandemic, we remained dedicated to serving local businesses and organizations in 2021.

87 new benefit partners added **207** enrollments **74** financial ed seminars

COMMUNITY IMPACT

In our **second annual food drive**, AmFirst members and employees collected

\$27,000 & 20,000 Food Items
For the Food Bank of Central Alabama and Feeding the Gulf Coast. Providing more than
116,000 MEALS

Members and employees donated enough toys to help over

400 FAMILIES The most in the 14 year history of the toy drive.

Awarded

\$25,000 In \$5,000 scholarships to deserving students through our **Rising Star** program and recognized 30 students.

Presented *Three Hots and a Cot*, *Smile A Mile*, and *Big Brothers Big Sisters of Alabama* with

\$120,000 Raised through our **Community First** campaign. \$40,000 to each organization.

Raised

\$6,120 **Tornado Relief Funds**
In just 5 days of rapid response by **The AmFirst Foundation**.

Pledged

\$222,535 To United Way. With AmFirst employees directly contributing **\$119,535** of the total amount.

OUR CORE VALUES

INTEGRITY BASED

The Board of Directors and Management have instilled the highest ethical standards for all business practices and personal conduct and will accept nothing less.

MEMBER FOCUSED

We are committed to consistently providing exceptional service and value to our members and pledge to treat every member with dignity and respect and in a fair and equitable manner.

FINANCIALLY SOUND

We maintain disciplined business practices to ensure that we have the financial resources to meet the needs of our members.

COMMUNITY COMMITMENT

We will be a valued corporate participant in the communities we serve by actively supporting organizations and events that improve the quality of life of our neighbors.

EMPLOYEE CENTRIC

We strive to maintain a corporate culture and learning environment that inspires, attracts and retains highly talented, diverse and service minded team members.



Your savings federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency